Engaging employers is an important strategy for workforce development programs; it can help align programs with employer needs so participants can secure jobs (Barnow and Spaulding 2015; Maguire et al. 2010). The public workforce system has sought to engage employers for several decades, and the Workforce Innovation and Opportunity Act of 2014 strongly emphasizes the importance of partnering with employers. Federal grant programs and initiatives funded by private philanthropy have also made building relationships with employers a priority (Barnow and Spaulding 2015). Despite this push for workforce organizations to be more responsive to the industries that might hire program graduates, workforce systems and organizations struggle with how to effectively engage employers and build deeper partnerships.

This brief offers a simple framework that lays out why workforce programs engage employers and why employers engage with workforce programs. It specifies how employers are involved with workforce programs and describes the challenges for both sides. This framework can help workforce organizations sharpen their thinking about employer engagement and their goals for such partnerships.
The Urban Institute’s Collaboration with JPMorgan Chase

The Urban Institute is collaborating with JPMorgan Chase over five years to inform and assess JPMorgan Chase’s philanthropic investments in key initiatives. One of these is New Skills at Work, a $250 million multiyear workforce development initiative that aims to expand and replicate effective approaches for linking education and training efforts with the skills and competencies employers need. The goals of the collaboration include using data and evidence to inform JPMorgan Chase’s philanthropic investments, assessing whether its programs are achieving desired outcomes, and informing the larger fields of policy, philanthropy, and practice. In service of these goals, this brief provides an initial framework for considering the different goals and dimensions of employer engagement, a central strategy of New Skills at Work. The framework will also be used to guide the assessment of JPMorgan Chase’s programs in workforce readiness and provide a resource to the field so stakeholders and practitioners can better understand their own employer engagement efforts.

Introduction

Employer engagement can be an important strategy for meeting workforce development goals (Barnow and Spaulding 2015). For example, research on sector-based workforce programs—where workforce organizations work with employers that are in a single industry sector or that hire for a cluster of occupations—shows large increases in employment and earnings for program participants (Maguire et al. 2010). Registered apprenticeship models—in which programs are developed by or in partnership with employers and apprentices receive a combination of classroom-based training and paid training at the work site—help participants secure high-wage jobs with long-term career potential (Reed et al. 2011; Workforce Training and Education Coordinating Board 2014). The larger impacts of these employer-based models are clear, although more research is needed to better understand the issue.

Existing evidence combined with the clear rationale for engaging employers in workforce programs pushed federal policymakers to strongly emphasize employer engagement and partnerships in the 2014 Workforce Innovation and Opportunity Act (WIOA). The new law stresses greater involvement of employers in state and local workforce development planning activities while encouraging the development and support of sector-based programs and apprenticeship models. WIOA also establishes new regulations to measure how well the public workforce system is meeting employers’ needs. In addition, WIOA aims to reduce employers’ costs for certain types of training, creating an incentive for greater participation. Before WIOA, employers were required to contribute half of customized and on-the-job training costs, although many states received waivers from these requirements. The new law gives local areas more flexibility to set requirements around employers’ financial and in-kind contributions, possibly eliminating one barrier to engagement with the public workforce system (Barnow and Spaulding 2015).
What Are the Challenges of Engaging Employers?

Despite the many reasons employers and workforce programs rely on each other, their collaborations encounter persistent challenges. The following are some common difficulties that workforce organizations face:

- Workforce organizations compete with one another for funding, visibility, and employer involvement. This competition is driven by scarce resources, funding environments that emphasize rapid job placement rather than training, and performance-based contracts that are heavily weighted toward job placement.

- Workforce organizations do not know how to effectively engage employers. For example, research on oversight boards in the public workforce system finds that employers sitting on such boards fail to perceive the value of their involvement (Barnow and King 2005).

- Workforce organizations struggle to respond quickly and with enough flexibility to meet employer needs for trained workers (Taylor 2011).

Common employer barriers include the following:

- Employers do not see the value in partnering with workforce programs; they perceive the costs of participation as outweighing the benefits. This challenge is exacerbated if too much time is required of the employer, if interactions are disorganized, or if services are poor (Clymer 2003). Employers may be unwilling to bear the costs of involvement in workforce programs if they can reap the benefits without engaging.

- Employers are wary of working with the government or with nonprofits (Barnow and Spaulding 2015; Clymer 2003; Laufer Green Isaac 2004).

- Employers are wary of working with each other. Some workforce initiatives, such as sectoral programs, involve employers from the same industry working together. Cautious firms may not want to share curricula with their competitors or may prefer to offer their own training program (Barnow and Spaulding 2015).

Some challenges are mutual to employers and workforce organizations, including the following:

- Employer engagement in workforce programs can be resource intensive. Workforce organizations often do not have the resources to build and sustain relationships, and employers do not have the time to participate meaningfully (Taylor 2011).

- Because of vastly different organizational cultures, workforce organizations and employers do not speak the same language (Barnow and Spaulding 2015; Laufer Green Isaac 2004; McPherson 1997). This discord produces an information gap: employers do not know how to communicate their needs, and workforce organizations do not know how to get this information from employers (Taylor 2011).
Employers are wary of working with the target populations of some workforce programs (e.g., people on welfare, people with criminal records, youth) or perceive workforce programs as generally working with people who are less desirable employees. Workforce programs struggle to convey the value of hiring their target population (Burtless 1985; McPherson 1997).

Scale is an issue: most employers can only hire a few candidates for positions, but workforce programs often need to place entire classes of graduates in jobs (Barnow and Spaulding 2015). When employers are hiring at scale (for example, for a large development project), the reverse problem may occur: a single training program may be unable to train enough people for available jobs.

Timing is another issue: employers and workforce organizations have a hard time predicting and planning for future needs, especially when longer-term training is required.

To help address these challenges, we outline a framework for organizing and understanding the goals and potentially related activities of employer engagement and partnership (figure 1).

**FIGURE 1**
Employer Engagement and Partnership with Workforce Programs

**ENGAGED EMPLOYERS**

**WORKFORCE PROGRAMS**

**PARTICIPANTS AND JOB SEEKERS**

**EMPLOYERS’ GOALS**
1. Find qualified job applicants
2. Reduce costs
3. Address particular training or service needs
4. Meet diversity goals or social responsibility objectives

**WORKFORCE PROGRAMS’ GOALS**
1. Help participants find and keep jobs
2. Build knowledge of industries and occupations
3. Help participants gain appropriate skills and experience
4. Establish credibility and access networks
5. Effect change for workers
6. Generate resources

**Employer Engagement Activities**
- Oversight
- Program design
- Program delivery
- Recruitment and hiring
- Financial or in-kind resources

**Forms of Partnership**
- Deeper involvement in certain program activities
- Involvement in broad range of activities
- Workforce sector partnerships

**ENGAGED EMPLOYERS**
**WORKFORCE PROGRAMS’ GOALS**
Which Organizations Are Trying to Engage Employers?

Through changes in federal workforce policy, the responsibility to deliver workforce programs and services has devolved from the federal government to an array of local providers. Although each system is unique, the organizations engaging employers within local workforce systems include the following:

- **Public entities overseeing workforce programs and funding**, including workforce development boards and state and local agencies responsible for managing workforce programs and funding (e.g., departments of labor, employment, education, or human services).

- **Organizations involved in job placement and related supportive services**, including American Job Centers and staffing agencies. These activities also take place within training organizations or intermediaries within a local system, including community and faith-based organizations of varying sizes and types, where funding may depend on job placement.

- **Training organizations**, including community colleges, community-based organizations, and for-profit proprietary schools, which provide job seekers with the hard and soft skills needed for jobs and may offer preparation for high school equivalency credentials, industry certifications or licenses, college degrees, or other certificates.

Some of these organizations may act as **workforce intermediaries**, which aim to coordinate workforce services across groups of employers, training providers, and the public system, and which typically focus on particular sectors or clusters of occupations. Many different types of organizations can take on the role of workforce intermediaries, including industry associations, workforce development boards, and labor unions. (See page 10 for more discussion of intermediaries.)

These organizations may involve employers in different types of activities and have different goals associated with their engagement efforts.

Why Do Employers Become Involved in Workforce Programs?

Most employers train their own workers; by several estimates, the amounts that employers invest in training dwarf investments from the public workforce system (Lerman, McKernan, and Riegg 2004; Mikelson and Nightingale 2004). Only about half of employers are even aware of their key local public workforce system partner (GAO 2005); according to one study, about 5 percent of employers hiring less-skilled workers for jobs use a public agency for hiring (Acs and Loprest 2008). Some scholars have suggested that as the labor market becomes more volatile and flexible, employers may be investing less in training to avoid losing returns on their investments if workers leave for other firms (Cappelli 2012).

Employers participate in publicly funded training programs or other workforce development efforts for various reasons, including the following:
To find qualified job applicants for open positions. Employers may face challenges in finding workers who possess particular types of skills and thus work with training providers to identify qualified applicants (Isbell et al. 1997).

To reduce costs of training or recruitment by tapping into the resources available through the public system (Duscha and Graves 2007). These resources could include customized training or on-the-job training available through WIOA where employers generally have to match the public funding (Barnow and Spaulding 2015).

To address particular training or service needs that they do not have the capacity to offer directly, such as English language or basic skills training for entry-level workers, or supportive services for working parents and other groups (Clymer 2003).

To meet diversity goals or social responsibility objectives. These goals may stem from employer objectives around profit, productivity, or the delivery of quality goods or services; from a company’s mission, history, or role in the community; or from legal or regulatory action (Forbes 2011; National Partnership for Reinventing Government 2000). Employee volunteer programs, for example, can help with employee retention, while also offering the chance to give back to the community (Junior Achievement Worldwide 2009). Alternatively, community benefit agreements and other first-source hiring requirements may mandate that employers hire job applicants from a particular community or group (Wolf-Powers 2006).

Employers’ decisions to become involved in the workforce system reflect a combination of self-interest and social responsibility, although in case studies where employers play a significant role, they typically are motivated by the fact that the workforce program can help them solve a human resources problem that is difficult to address on their own.

Why Do Workforce Programs Engage Employers?

Workforce programs engage employers primarily to help program participants find or keep jobs (either directly or through improved skills) and to help employers meet their hiring needs. Programs may also have important intermediate goals for engaging employers, such as the five explained below. Understanding these intermediate goals can help workforce programs determine the best ways to involve employers.

To Build Knowledge of Industries and Occupations

A key reason workforce organizations and systems engage employers is to help programs learn about industries and occupations. This information can take many different forms:

- Labor market needs and employer challenges can help shape workforce programs’ decisions about what trainings to offer, which occupations or sectors to target, what skills people need, and how to design the programs.
- Occupations and career paths can help inform participants’ decisions about what programs to enroll in or their selected career paths.
- Job openings can help workforce programs place participants in jobs.

Knowledge can be built through various employer engagement activities; any contact with an employer can be an opportunity to collect information on the targeted sector or occupation, or on the labor market and hiring.

To Help Participants Gain Appropriate Skills and Experience

Another goal of employer engagement activities is to build participants’ skills. Though the appropriate skills are named and characterized in various ways, they are often described as the following:

- Hard skills are technical skills or applied knowledge specific to an industry, occupation, or job.
- Soft skills are employability skills generally needed to succeed in the work environment, including communication skills and teamwork.
- Basic skills are academic or foundational skills, such as reading, math, computer proficiency, and English fluency.

Workforce programs, which focus on building different kinds of skills for participants, engage employers to help build such skills. Employers can help workforce programs determine which skills are demanded and valued, but they also can provide participants with skills through different activities.

To Establish Credibility and Access Networks

Programs that can demonstrate employer involvement establish credibility both with other employers and with potential program participants. Employer engagement signals a higher level of program quality for both employers and job seekers. Through enhanced credibility, workforce programs may gain access to employers’ personal and professional networks, thereby identifying other potential employers. The enhanced credibility may also help workforce organizations access job-seeker networks to recruit participants.

To Effect Change for Workers

Although helping participants access jobs may be the ultimate goal of employer engagement activities, some programs also aim to achieve broader improvements for workers. Such “systems change” strategies are a key component of many sector-based initiatives. Conway and colleagues (2007) provide a framework for understanding systems change strategies that includes efforts to reform industry practices, the education and training infrastructure, and public policies. Changes to industry practices can include improved working conditions, higher wages, or increased access to certain jobs for different populations. For workforce programs seeking to change industry practices in low-wage sectors or occupations, “high road” employers can help change industry practices by exercising peer pressure on
competitors, advocating for changes in public policy, or demanding enforcement of existing regulations that protect workers.

To Generate Resources

Working with employers can help organizations generate resources to support programs. In an environment where resources for training programs can be scarce, having employers at the table can help generate additional resources. For all the reasons mentioned earlier, employer engagement can make workforce programs better and thus more likely to receive public and private funding. In addition, employers may contribute financially to nonprofit training providers or enter into contract agreements and pay for training (Dougherty and Bakia 2000). Employer engagement can also help workforce programs make informed decisions about program length and requirements (Isbell et al. 1997); ideally, this can help workforce programs maximize efficiency and avoid wasting financial resources.

How Are Employers Involved in Workforce Programs?

When workforce programs engage employers, they do so in various ways. Building on Barnow and Spaulding (2015), we identify five general categories of employer engagement: oversight, program design, program delivery, recruitment and hiring, and financial or in-kind resources.

Oversight

Nonprofits often ask businesses to serve on governing or advisory boards. For workforce programs, employer involvement in boards has specific functional purposes. Workforce programs engage employers in advisory boards to obtain information on targeted sectors or occupations, to establish credibility and access employer networks, or to engage employers in other program activities.

The public workforce system has used oversight of workforce programs as a primary strategy for engaging employers through Workforce Investment Boards (now named Workforce Development Boards). Community college academic departments for vocational studies often require the participation of relevant employer representatives on curriculum committees or advisory boards that approve new programs as part of accreditation requirements (Conroy, Lefever and Withiam 1996; Rose and Stieber 2013). Business advisory boards have been a primary way of engaging employers in federal grant programs aimed at building the capacity of community colleges (Eyster et al. 2012). Other nonprofit or community-based organizations that provide training also tap employers to serve on their boards (Clymer 2003; Dworak 2004).

Program Design

Workforce development organizations sometimes engage employers in the design of programs. Employers provide information on industry trends and the skills needed for targeted occupations and can help workforce organizations identify and map career pathways (Corporation for a Skilled
Employers can also give feedback on program content, including reviewing and commenting on curricula, or give input on program components, such as entrance requirements and selection processes, the program’s structure and length, the textbooks and materials or assessments used, and what industry credentials may be associated with the program; employers can also be more actively engaged in curriculum design (Clymer 2003; Isbell et al. 1997).

Program Delivery

Employers may also provide services to participants. Employers’ workers may help deliver various components of the training as volunteers, such as talking to a class about what it is like to work in the field, teaching a component of a course, providing feedback to participants in mock interviews, and mentoring program participants. By engaging in these ways, employers transmit information to participants about the targeted sectors or occupations. Employers also help participants build both hard skills and soft skills, such as networking (Spaulding 2005). Through their direct interactions, employers can also build credibility for the program with participants and help them access professional networks.

A major way that employers provide services is through work experience opportunities, which help participants build skills and demonstrate experience. Work experience opportunities can consist of paid or unpaid internships or externships, clinical experiences required for licensure, transitional jobs, or apprenticeships where paid training at the worksite is part of the training program. Many different kinds of training organizations use internships and externships to help disadvantaged target populations get jobs and experience (Alssid et al. 2002; Conway and Giloth 2014; Maguire et al. 2010). Apprenticeships and industry-led work experiences are discussed in the following section as examples of when employer engagement becomes a deeper partnership.

Recruitment and Hiring

Employers are also involved in workforce organizations by hiring program participants and through related activities. This includes notifying workforce organizations about job openings and agreeing to interview or hire program participants. Agreements to hire are often linked to stronger partnerships with employers or transactional relationships, where the employer receives something specific from the workforce organization, such as a monetary benefit. For example, employers may participate in customized training programs or on-the-job training programs where they receive funding from the public workforce system to cover a portion of training costs for newly hired workers.

Financial or In-Kind Resources

Besides providing knowledge and advice and making hiring commitments, employers may provide financial or physical resources to promote program sustainability. Employers may donate equipment for students to practice using (Wilson 2015), or they may fund programs if they anticipate a need for a particular type of talent or through corporate philanthropy initiatives (Sundberg 2002). Employers may also provide funding through tuition reimbursements or by encouraging other employers to contribute (Clymer 2003). In some instances, employers will enter into contracts with workforce programs to train...
a certain number of current or future employees (Dougherty and Bakia 2000). These physical and financial resources can enhance the capacity and sustainability of workforce training programs.

How Do Employers Become Partners?

Moving beyond simple engagement, some employers develop strong partnerships with workforce programs. The Workforce Innovation and Opportunity Act emphasizes such a role for employers, the idea being that workforce systems and programs will better meet their respective goals if employers are not just involved in some activities but are crucial partners.

Through Deeper Involvement in Certain Program Activities

Some employer activities with workforce organizations require deeper levels of partnership. Employers providing one-time feedback on curricula are less involved than employers participating in program design, which could include feedback at multiple points and on multiple aspects. Similarly, an employer moderately engaged in program delivery could offer internship opportunities to one or two program participants, whereas a highly engaged employer could offer apprenticeship programs, which require employers to play a role in designing the learning opportunities for broader groups of workers and actually paying the participants a salary while they learn.

Through Involvement in a Broader Range of Program Activities

Much of the literature on employer engagement focuses on building intensive relationships, where employers are involved in programs in multiple ways. In her guide to employer engagement, Clymer discusses the importance of making employers “part of the woodwork” (2003, 7). Jewish Vocational Services of San Francisco, an organization with a strong reputation for managing sector-based programs and for engaging employers effectively, documents the “transactional” involvement of employers in activities as a way to measure progress. In this case, Jewish Vocational Services sees individual engagement activities as potentially linked to developing deeper relationships with employers (Dworak 2004). Similarly, Wilson (2015) recommends that workforce organizations start by engaging with employers to gather information, then build up to a more intensive approach where employers are central to the strategy.

Through Workforce Sector Partnerships

Over the past several decades, workforce sector partnerships (also called industry partnerships, workforce partnerships, or sector strategies) have emerged as systems-based approaches to workforce development that aim to better meet the needs of employers and workers. Workforce sector partnerships are local or regional efforts that involve multiple entities delivering programs and services for employers in a particular industry or hiring workers for similar occupations. These programs are typically organized by a credible workforce intermediary that coordinates and aggregates services. In
their edited collection of essays, Conway and Giloth (2014) explore in depth the history, context, research, and future of sector partnerships and workforce intermediaries, along with case studies.

Workforce sector partnerships and workforce intermediaries aim to solve some key problems workforce organizations face when engaging employers. Intermediaries can translate between employers and training providers, communicating information about industry trends and needs. They can also address issues of scale by organizing the needs of employers that can be met by training programs. Working in close partnership with employers involved in industry partnerships can make it easier for intermediaries to predict hiring needs in local or regional labor markets. Finally, intermediaries can help engage employers on behalf of special populations, those with barriers, and those who might normally be subject to discriminatory hiring practices.

Conclusion

In an effort to tackle the challenge of employer engagement, workforce systems and programs that want to engage with employers can consider their goals and how these goals connect to the different ways of involving employers in workforce programs. Understanding these connections is an area for further research, along with understanding what effective employer engagement strategies look like and how they are organized and managed within workforce systems and workforce sector partnerships. Exploring these and other related questions will help stakeholders better understand how to engage employers as effective partners, not just customers, of workforce systems and ultimately improve outcomes for jobseekers and employers.
Notes


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